"Influx Healthtech Limited

H2 FY26 Earnings Conference Call"

May 22, 2026

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**Moderator:** Ladies and gentlemen, good day and welcome to Influx Healthtech Limited H2 and FY26 Earnings Conference call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Dr. Munir Chandniwala, MD, and Chairman. Thank you, and over to you, Mr. Chandniwala.

**Munir Chandniwala:** Thank you for joining us for the FY26 Earnings call of Influx Healthtech Limited. I hope you had a chance to go through our latest financial results and investor presentation, which are available on the stock exchange. Joining me today are Mr. Ashish Shah, our CFO, Mr. Hrishit Jhaveri, and Ms. Krisha Anandpara from Capital Bridge Advisors, our investor relationship consultants. I would like to thank all the stakeholders for their continuous support in this journey so far.

Let me begin by sharing a brief overview of Influx Healthtech and what defines us as an organization. Influx Healthtech is a contract development and manufacturing organization specializing in nutraceutical, cosmetic, pet care, home care, and ayurveda. Our integrated model provides end-to-end solutions from product development and manufacturing to regulatory support, enabling our clients to focus on their core strengths such as innovation, brand building, and commercialization. Our clientele includes many multinational corporates, high-growth D2C brands, and niche healthcare providers across domestic and global markets.

Our operations are supported by four manufacturing facilities located in Palghar, Maharashtra. These facilities meet the global standards and hold certifications such as GMP, HACCP, Halal, NSF, ISO 22000, ISO 14000 along with various regulatory approvals of Tanzania, Nigeria, as we have continued to expand our international compliance footprints.

Innovation is central to our operations, enabling us to adopt market changes while consistently maintaining high quality and compliance standards.

Moving to our operational highlights, we undertook several capacity expansion initiatives and strategic developments across our business segments during the second half of the year.

Our most significant ongoing initiative is the development of a new facility, approximately 75,000 square feet of ground plus four floor structure, expected to become operational by July or August 2026. Upon commissioning, this expansion is anticipated to increase our overall installed capacity by approximately 2.5 times the existing.

Within our nutraceutical division, we have commissioned a new granulation line for tablet manufacturing with a processing capacity of 480 kg approximately per day, enabling an output of 24,000 bottles per day. The protein and snack bar line sub segment also witnessed a strong growth with demand more than doubling.

In our beverage segment, we incorporated a fully owned subsidiary named Olahey Wellness Private Limited with an INR 1 lakh cash investment to manufacture ready-to-drink wellness beverages.

We are building out a canning facility and a carbonated beverage line with a Tetra pack line already booked. Planned installed capacity is approximately 10,000 bottles per hour. Our product focus is on functional and ready-to-drink formats, including retort-based liquid nutrition products. Packaging innovation remains a key differentiator. We are among the only handful of companies in India to offer easy snap-type technology. We also call it Quick Snap technology, a pocket-friendly single-dose nutraceutical format which can be used in cosmetic and had already secured initial orders for this format.

In pet care, our current output stands at around 16 to 18 tons per month with a near term capacity expected to reach to 25 tons per month within the next two to three months. We have also ordered a high-capacity pet food extrusion line, upgrading from our 100-150 kg per hour to 1000 kg per hour to support the long term growth demand.

On the client front, we have served a base of 718 plus clients with a retention rate of 98%, reflecting the strength of our long term relationships and consistency of product quality.

On the export front, we have received regulatory approvals for Tanzania and Nigeria, with Kenya currently under consideration. We have also established a new office in the UAE focused on high-margin opportunities in this region. Export growth continues at 10% to 15% annually and we expect international markets to be an increasingly meaningful contributor going forward.

IPO proceeds and capital allocations

I would also like to take a moment to address the proposed variation in the utilization of the IPO proceeds, which we communicated to exchanges. As of March 31, 2026, INR 13.84 crores of the IPO proceeds allocated for capex have been utilized.

The board has approved a reallocation of INR 10 crores, primarily from surplus amounts across the veterinary facility, home care, and cosmetic divisions, towards the enhanced construction cost for the nutraceutical CDMO facility. This reallocation reflects a strategic decision to scale up that facility from 35,000 to 75,000 square feet with GMP-compliant design, upgraded HVAC and an enhanced material flow system.

This scale-up directly aligns with the strong demand visibility we are experiencing, enabling us to establish a scalable, ready platform for nutraceuticals. The surplus funds facilitate this move. We generate a surplus strategically through effective vendor negotiation and a phased demand-aligned construction approach for our veterinary division, which optimized upfront cost without compromising our capacity commitments.

This reallocation remains with the scope of our original capital expenditure objective to secure long term sustainable growth.

Coming on to the financial highlights, revenue from our operations stood at INR80.1 crores in H2 FY '26, registering 41% year-on-year growth, bringing full year FY '26 revenue to around INR146 crores.

Segment-wise, nutraceuticals contributed around INR131 crores up to 40.3% year-on-year growth, cosmetics around INR7.4 crores which is 15.8% year-on-year growth. Ayurvedic products contributed around INR6.1 crores up by 88.9% year-on-year growth. The other segment comprising veterinary and home care reported INR1.4 crores reflecting 18.7% growth year-on-year.

The EBITDA stood at around INR15.2 crores for H2 FY '26, up by 32% year-on-year, resulting in full year FY '26 EBITDA to be around INR29.9 crores. With full year EBITDA margin expanding by 72 bps to 20.3%. PAT stood at around INR10.5 crores for H2 FY '26 up by 38% year-on-year, bringing full year FY PAT to INR20.5 crores with full year PAT margin expanding by 129 bps points to 14%.

Coming to employee expense, there was an addition to the workforce for the upcoming RTD and nutraceutical units. As we speak, the additional workforce is under training and there was an annual salary increment for the employees in the month of October, resulting in a significant increase in employee cost by 31% in H2 FY '26 as compared to H1 FY '26. Bringing full year FY '26 employee cost to INR11.8 crores and 34% increase as compared to INR8.8 crores in FY '25.

During the year, we incurred INR25 crores in capital expenditure, reflecting our continuous investment in infrastructure and capabilities. Our balance sheet remained robust with a cash surplus of INR25.2 crores as on March 31, 2026. Cash flow from operations stood at INR3.9 crores.

FY26 cash conversion cycle stood at 64 days with debtor days improving to 84 days from 113 in FY '25. Inventory days also improved to 99 days from 112 days in FY '25 and payable days improving from 119 days from 248 days in FY '25. Return on equity stood at 30%, reflecting efficient capital allocation. Asset turnover stood at 5.3x reflecting strong operational productivity. So coming at the growth guidance, going ahead, the growth trajectory is expected to continue and improve.

We aim to grow by 25% to 30% minimum in FY '27 with similar margins. The progress we have made in this half reflects commitment and discipline to our team. We remain focused on execution on growth opportunities ahead.

Thank you for your continued trust and support. We will now open the floor for questions and answers.

**Moderator:** Thank you. We will now begin the question and answer session. The first question comes from the line of Divhy Gosar with Subhkam Ventures. Please go ahead.

**Divhy Gosar:** Hi, sir, thank you for the opportunity. So firstly, I wanted to ask, when will our new facility be commissioned, and what is the size of the -- what is the peak revenue that we can do from the new facility?

**Munir Chandniwala:** Hi Gosar ji. See, the new facility, as I stated in my statement, by July, August it should be ready. We will apply for licensing and everything at that time. The beverage plant, which we have planned, that is Olahey Wellness, will also take around 2 months. That is also a similar August period you can expect for us to apply for the license.

And the size of the plant is around, see, we have expanded the size actually. So it was earlier 35,000 square feet, but somehow we were able to build a bigger one. We have added floors. So, it's approximately 75,000 and this will help us to achieve a long-term target by FY '29 of INR500 crores approximately.

**Divhy Gosar:** Okay. And sir, what is our peak - what can be our peak revenue after all of these plants are commissioned? Where the peak utilization will come?

**Munir Chandniwala:** Yes. See, whatever we are telling 2.5x which is there, it is a machine commissioned. So factory we were able to make it a little bigger than what we were expecting. So we were expecting around 35,000 square feet and to commission that machinery to provide us 2.5x. Now what has happened, we have reallocated the plant, the money - IPO money for expansion of nutraceutical facility.

So we still have scope to add more machinery and everything in the future. But to start with, we don't want to change our machinery planning and everything. So when we start we will be commissioning 2.5x of the current capacity. So, which can take us to INR450 crores, INR500 crores in the coming years, in a couple of years.

So this is our expectation and our will which we look forward to do it. And we will still have space if we require whenever statically, see it's a dynamic industry. If any new technology, something is there, we have space to react. So that is a good thing which has happened which I feel it will contribute better strategically.

**Divhy Gosar:** Okay. And so you said that the new plant will start from August. So how much revenue can it contribute in FY '27?

**Munir Chandniwala:** See in H2 we should start this pure operations because we'll be applying for license and everything. But I feel that approximately you can say we can contribute around INR40 crores, INR50 crores maybe if we do well.

**Divhy Gosar:** Okay. And finally sir, what would be our margin guidance for FY '27 revenue is 30-35%?

**Munir Chandniwala:** See we will be maintaining the PAT of around 14% approximately. It's quite fair to do in this industry and we will keep on. See a margin maybe have gone a little bit down H2 FY26 is because we have employed a lot of people actually. So salary and all, so we want to start it directly.

We don't want to make the factory and search for people, so that it will again take a lot of training time, because it's a technical field. So already there are people who are employed. Only we have to divide the team and take the new plant forward. So it will help us to reduce the time. So, we realized that employees are very important and we have taken the action a couple of months back and started building the team.

**Divhy Gosar:** So 20% is a correct assumption, right?

**Munir Chandniwala:** The overall growth the company will grow by around 30% to 40% minimum. So this is our target and whatever the contribution of new plant is there, we will definitely go ahead.

**Divhy Gosar:** And EBITDA margin will be 20 to 22%?

**Munir Chandniwala:** Yes approximately.

**Divhy Gosar:** Yeah. Thank you so much.

**Munir Chandniwala:** Thank you so much for your call.

**Moderator:** Thank you. The next question comes from the line of Pratiti Khara with Param Capital. Please go ahead.

**Pratiti Khara:** Hi sir. Am I audible?

**Munir Chandniwala:** Yes, ma'am.

**Pratiti Khara:** Congratulations on a great set of numbers. I just wanted to check with you on one thing. The gross margins have gone down from H1 to H2 and even from last year's H2 to this year's H2. I think it was at 44% in H1 and now at 39%. Just wanted to understand if there is some change in product mix or something because that seems to have flown down to EBITDA as well?

**Munir Chandniwala:** Being in a CDMO format of manufacturing, we will have a little bit of challenges. But see, we are having a mix of the high end clients also and the medium scale clients. So generally it happens when we are producing the top clients more, so maybe our EBITDA goes down. So we realized that and we are having a great mix of parties who can balance the act. So this will happen, but we are confident that we can maintain the EBITDA very well. As our production efficiency also will improve once the new facility starts. So it will help us to still build the EBITDA better.

**Pratiti Khara:** Sure.

**Munir Chandniwala:** And gross margins better.

**Pratiti Khara:** Sure. And how are we looking at the H1 pipeline coming along with the order book?

**Munir Chandniwala:** So we will be having a regular growth of around 25% to 30% what we are having this one until the commissioning of the new facility which contributes. We are on track and our cycle of let's say average monthly cycle is on track as per last what we have done. And I think we should maintain, keep maintaining these margins.

**Pratiti Khara:** So this 25% to 30% guidance of growth is after accounting for the new facility commissioning?

**Munir Chandniwala:** See year-on-year, we should do that. Even if the facility does not come in, for example in the worst-case scenario, so this will be the growth guidance definitely there. The new facility will contribute in its own. We are expecting around maybe 25% to 30% more from the new facility.

**Pratiti Khara:** Correct. Yeah, if we are seeing a 2.5x capacity increase, then we should also see that in revenue. Because we've already, I think, grown 40% H2 at least?

**Munir Chandniwala:** So ma'am, see 2.5x to be very honest, it's not possible to consume everything, all capacity in one year. So we'll slowly build, it's a three-year down the line plan, which we said around INR450 crores, INR500 crores is our prediction till FY '29. And the regular growth is there.

We have good orders, we have a good client base. We have started a lot of new companies are rolled in with good names like Nykaa, Khandelwal Labs. There are many good names that have joined. Aristo is there. So the track looks to be good and I hope we maintain it and take it forward for the expected growth.

**Pratiti Khara:** Sure. Just one last question. What is the current utilization of our facility at?

**Munir Chandniwala:** See, it's approximately - all different segments have different utilizations. See, first of all, utilization is not a big thing, ma'am, because we have grown that. As I have consistently emphasized, we prefer steady growth in the machinery division. We want to avoid making large upfront investments before we have secured clients. So right now, nutraceutical is somewhere around 72% utilization, cosmetic is approximately somewhere around 55%, and pet supplement is around 75%. You can say that much. But this -- with so many variations of products, it can go 2%, 3% here and there. Because it depends on what is running on that day in production. So that is also a key factor for capacity utilization. But it's not at all a worry.

**Pratiti Khara:** Okay, all right. No, thank you so much. That would be it. All the very best.

**Munir Chandniwala:** Yes, ma'am, thank you.

**Moderator:** Thank you. Next question comes from the line of Shruti Malpani with Aarth AIF. Please go ahead.

**Shruti Malpani:** Hello. Am I audible?

**Munir Chandniwala:** Yes ma'am. Yes Shruti ji.

**Shruti Malpani:** Good afternoon sir, how are you?

**Munir Chandniwala:** All well ma'am. Good afternoon.

**Shruti Malpani:** Congratulations on a great set of numbers. So sir, I would like to ask, continuing to previous question, that our gross profit margins have fallen. So I do understand the different set of mix, but has the pricing for our raw materials changed or how has the chart been, has that affected the falling gross profit margins as the prices increased?

**Munir Chandniwala:** As I said, lastly, if you see the couple of months, yes due to the war crisis, there has been a rise in the packaging material, laminates, and all. So there, see we follow cost plus basis only, but there is always going to be a lag, actually. So when the prices go down again there will be a lag which will increase our margins.

So this is a trend because in the process material, we cannot change immediately and it has gone slowly up. So it's not that any material has gone directly steeply to 30% hike. So it's going 2%, 3% slowly, it has grown. So that lag is there, but it will be covered, ma'am. So I am very confident on the gross margin.

And this 2% you should give me a benefit of doubt I think we can increase also and make up the thing. And it depends on the product mix also what we are doing that end. Sometimes bigger companies give you less margin, that is a fact. So we realized we have seen that figures and we are positive to make that happen better in the coming quarters.

**Shruti Malpani:** So, the dip and the increase in prices, are they mainly for the packaging materials only or of something else?

**Munir Chandniwala:** No both. RM also is there because if you see the coating materials like solvents which are there, IPA and all it increased a lot. So that was there, but again it is now on the you know it is coming down to normal and inventory we have increased. So a lot of things we have done because to so that we are not out of this, we have built up a lot of PVC, foil we have kept in stock. So this all things have...

**Shruti Malpani:** Yes sir sorry, please continue.

**Munir Chandniwala:** So this all is the inventory also has a little bit increased because of this. We want to play safe. It should not be a shock that we don't have inventory to produce the finished products. So overall it is the gross margin will be better and it can be -- it will fluctuate a bit, it cannot be pinned, but yes we will definitely do better in the coming quarters.

**Shruti Malpani:** Okay. Sir my next question is, were we able to export anything to Tanzania in FY '26 and are these orders B2G or they are B2B only for Tanzania?

**Munir Chandniwala:** See Tanzania earlier also we have shipped a few materials, but now being after doing the official GMP achieved. So good clients like Aquatic and all their registration process is going on. So already Tanzania a couple of shipments have gone which were regular products. But now it will be more official in the sense, not official, but it will be more compliant with the regulatory of their Tanzania authority.

So there are registration process going on which can be in one or two months because export registration always take times, dossier is there, everything is there. So that all process is going on. So I think around 14, 15 products are still getting registered there, which you will see in a couple of months' time.

**Shruti Malpani:** But it will be completely B2B, no B2G segment we are targeting as of now?

**Munir Chandniwala:** B2?

**Shruti Malpani:** B2G.

**Munir Chandniwala:** No government we are not doing. So it's B2B only.

**Shruti Malpani:** Okay. I'll join back the queue, thank you.

**Munir Chandniwala:** Yeah.

**Moderator:** Thank you. A reminder to all the participants, please restrict yourself to two questions. Next question comes from the line of Tarun Krishna with Ithought PMS. Please go ahead.

**Tarun Krishna:** Thank you for the opportunity. My question is on the new capacity that we are putting up. Do we have enough clients to reach optimum utilization? And the second one is that, how long are these contracts for?

**Munir Chandniwala:** See in our field, we don't have long term contracts. But yes, there are companies who have given plan of one year also like Octavius, who is our second client right now, second highest client. Even if you see Novus which is our first client has given a three months projection. We don't have long term projections as such in this industry. It's not that Influx does not have.

But in the industry this pattern is not there. And the first question which how we utilize the capacity. See industry is growing and we anticipate the industry growth also. There are large clients who are there, which we feel we can tap. The new facility will have a lot of auto lines and all, which will more cater to larger clients.

And the current facility what we have, we can keep it to our medium and small scale clients also. So this is our strategy basically. So capacity build up will happen. We are working on this and we are confident that slow and steady we should fill the capacity of this. And luckily we have more capacity which we can expand as we have built a bigger factory. So it will help us out in future also.

**Tarun Krishna:** Understood. And going forward the incremental sales will come from the new clients or from the existing clients scaling up?

**Munir Chandniwala:** See we are lucky that our existing clients are growing and if you see our top 50, 100 they are almost same. So they all are growing and we are lucky to have them. So they are growing, we are also growing. So, it will be a mix of both. But yes, the old clients have trust on us already. So they are also geared up to -- they also have a lot of plans.

If you see Novus Lifesciences, they also have a lot of plans to explore the international market. They are just waiting for our facility to start. So initially it won't be a challenge to you know, it's not that we are going to be empty. It's going to yes, to fill the capacity is big. So it will take time, that is a hard fact. It's not that I can fill it in six months' time. But yes, slowly steadily we should do it.

**Moderator:** Thank you. Mr. Krishna, please rejoin the queue for more questions. Next question comes from the line of Shreyans Gathani with SG Securities. Please go ahead.

**Shreyans Gathani:** Hi, good afternoon Munir ji. I had a couple of questions. So first was on the client concentration. So we have like, although we have 700 clients, half the revenue is pretty much coming from 10 clients. So, just trying to, so if you could give like the contribution from the top one client and the top three clients out of the top 10 and if that is possible. And what is the strategy to diversify that client base revenue in there. So if you could just give some details?

**Munir Chandniwala:** Yeah, so our top 10, 20 clients are giving us approximately 30% to 40% revenue. There are many clients which are there and these clients are coming in the top. See CDMO model is like, you have to understand everyone, every company has this lifecycle. You have to understand that. And since last 25 years I've experienced this.

So we don't want to be dependent on single client or a couple of few clients. So there are clients which get space and they grow and that has been happening. Novus was maybe in 2018-19, it was above 100, but they are now top clients. So it happens that way. So we are comfortable because it balances our margin also sir.

See, we have to understand that the more the production we do, the bigger the client, they'll always squeeze our margin. But the smaller the medium scale client will balance our margin. So that is the strategy we keep and also it makes us very safe as a manufacturer. Because any two clients, 10 clients goes, we are ready, we will not have that big gap with us. So we are not dependent on particular people.

**Shreyans Gathani:** Right. Yeah my question was like you know more like we are very heavily dependent on the top 10 clients. Like, if I see the investor presentation, like 49% of the revenue is coming from only 10 clients. So that's what I was trying to say. Although we have 700 clients, the top 10 pretty much have half and then the 70?

**Munir Chandniwala:** Basically whatever the products which are there is almost similar and clubbed to the -- you know there are multiple clients, but having similar products. Let's say protein bars is there, so similar formulas are given to multiple people. So that's why it increases the client base. But I feel it's more secured to have more clients.

These clients have grown sir. So if you see these clients also who are top 10 or top 15, they are since us with us for many years, so they are growing and I am sure that many of the companies what we're doing which are top 100, 150 where are there. From there also that 5%, 10% contribution will increase and it will increase our revenue.

So we bet on that because industry is growing and parties will grow and they will contribute us. So that's why we want to keep our big scale of like big clientele. If we were a new clientele, we have our new set of strategies to be done. We have our ticket size and all we are doing that. So we are maintaining that also. But the clients which are already listed with us, they are with us. So we don't want to leave them. Many are dependent on us. So we want to keep it. They will grow with us, I think.

**Moderator:** Thank you. Mr. Gathani, please rejoin the queue for more questions. Next question comes on the line of Jawed Ansari with Manish Mundada & Associates. Please go ahead.

**Jawed Ansari:** Hello. First of all congratulations for good set of numbers. My question is regarding the subsidiary Olahey Wellness Private Limited. Like, why did you decide to create a wholly owned subsidiary as a private instead of keeping it in Influx?

**Munir Chandniwala:** It's a 100% subsidiary of Influx.

**Jawed Ansari:** Okay, so are you trying to cater different market segment with ready to drink with this?

**Munir Chandniwala:** So yeah it is an RTD. See, we want to have a different name. Our strategy emphasizes brand diversification to minimize concentration risk within heavily regulated markets. Even having another company helps us to have you know like more opportunity in international market also.

Let's say many companies say that we want two manufacturing units because what happens that in one city let's say in Nigeria, there is two distributors. And one distributor Influx is doing. I cannot have an NOC for another distributor there. So this company can come into picture and give another NOC to another distributor. So it will help us to grow that way. Also the onus should not be in one name I feel because anything happens to one name then it will reflect to another if in the worst case scenarios. So it will protect each other.

**Jawed Ansari:** And my second question is regarding margin. Can you give a margin breakout segment-wise margin breakout?

**Munir Chandniwala:** Gross margin is approximately 30% to 35% in nutra. Then in cosmetic also it's slightly higher better, it may be around 40% plus. And then veterinary ayurvedic and this is around 30% to 35% sir.

**Jawed Ansari:** And one last question. Are you trying to produce plant-based protein or something?

**Munir Chandniwala:** Sorry?

**Jawed Ansari:** Are you trying to develop a new product based on plant-based protein?

**Munir Chandniwala:** So we already are making sir. If you see Plantigo, Wow, CF, this all protein on the Amazon is made by us. So plant protein we already are doing. We want to make a plant protein drink in Olahey. So this is a new challenge because what happens, it's not stable in liquid ready to drinks. So we are getting a retort facility in the new beverage plant what we are going to have. So in this, we can have a ready to RTD drinks. So it's not powder, it will be a liquid base. So it's something different very few people will be doing this.

**Jawed Ansari:** Thank you sir.

**Munir Chandniwala:** Thank you Jawed ji.

**Moderator:** Thank you. Next question comes from the line of Krish Parekh with Parekh Family Office. Please go ahead.

**Krish Parekh:** Yeah hi, thank you so much for the opportunity.

**Munir Chandniwala:** Yeah Parekh sir.

**Krish Parekh:** Yeah Munir sir, just a quick question. I think for us the veterinary was our next big frontier compared to nutra correct. So yes we have recently reallocated INR 70 lakhs back to nutra facility. What changed in last six odd months for us? Was it because of the demand weakness in the veterinary as anticipated or was it a nutra business facing bottleneck issues and forced this re-emergence of reallocation?

**Munir Chandniwala:** See veterinary as such a business is very small. So it's not that we are going to not focus on veterinary. I still believe veterinary is going to be a big nice segment which is worth investing. The reallocation is that, we can easily slowly build with the internal accruals. The core what we are looking that is the 1000 kg plant, that already orders has been done. For that the facility is almost getting ready.

So the core what was planned is always there. Yes allied things which we were planning we will do slowly. Because we will be ahead of time investing on the machinery and just keeping it rather than investing on the nutra where we feel we are 100% more confident and the utilization will be much better.

So it's not that veterinary is not going to, I still bet on veterinary and I am very confident the market by '29, '30 will be amazingly well, it will be mature market. Right now it is a little bit immature. It's not that we are focusing out, but only thing is we are reallocating our machines and new old machines will come from the old this plant, we can relocate there. So this all things we have planned. So that core machinery which is there 1000 kg per hour which we have ordered, this is on track and that will increase the capacity actually.

**Krish Parekh:** Okay understood. So in a way we are trying to push veterinary at least for now we think that we nutra is something that we can more have confident in terms of that market right?

**Munir Chandniwala:** Right now we see good demand sir. Veterinary also we are looking demand, but the demands are a little small. Veterinary, nutra there is a lot of demand and I feel the people whom we are meeting or met and enrolled I think new contracts have been assigned. It's amazing. So we will require a better plant and we plan to go 21 CFR sir.

So that is also one thing which we want to relocate because 21 CFR is like a WHO in -- it's like a WHO for nutra. So bigger companies if you want let's say good names which are there, multinationals are there they will look. Even the market from outside from US, UK, the local manufacturing has been tapped actually. So for them, we can be a choice of a manufacturer. So that is also one idea why we want to allocate in nutra. In veterinary yes, the industry is growing, but I think nutra is growing faster sir. So that is the strategy behind the reallocation sir.

**Moderator:** Thank you. Mr. Parekh, please rejoin the queue for more questions. Next question comes from the line of Nishant Gupta with Minerva Capital Research Solutions. Please go ahead.

**Nishant Gupta:** Hi. Sir two questions from my side. One sir, just a clarification, you mentioned at the start of the call, the company will grow at 25% to 30%, then to one of the participants you mentioned you will grow probably at 35% to 40%. Could you please confirm what would be the growth rate for '27?

**Munir Chandniwala:** See only humble manner 25% to 30% is the humble thing which we always look forward. Looking at the 30%, 40% is what we have achieved earlier also. We will look forward to do that, but in humble manner we want to do minimum 25%, 30%, this is there. But we'll cross it.

**Nishant Gupta:** Sir could you also quantify, what would be the expanded quantity in the three segments in kilogram per day like from 17,000, what will be the nutraceutical and similarly for the other verticals, could you quantify the installed capacity?

**Munir Chandniwala:** See by kg, it is very difficult for me right now, but if you want I can mail you for the details because we generally speak on numbers more because the bottle unit and all. But if you want I can just drop a mail with a brief thing. See average overall if you see 2.5x is there. So that is the capacity what we have calculated. Now if you want to break it down then I have to work on it sir. I am sorry I don't have the figure exactly with me right now.

**Nishant Gupta:** No problem sir. I was just asking in the context that since you are reallocating the fund so is it okay to take a 2.5x across the three segments? And I mean that would not be the right metric since nutraceutical would be the major part.

**Munir Chandniwala:** No, see 2.5x why I'm telling the machinery what we have planned is almost same. So capacity maybe people must be thinking by space. But I always think capacity by machinery. So the machinery is all same only. So nutra we have built a bigger facility which will it may be a beneficial after 2, 3 years maybe let's say use that 2.5x capacity, now what?

So another building we have to do, may be a factory. But our current nutra will have that space to expand our machineries on this. So our core machinery is remaining the same, only the infrastructure, the capex which is there on the civil side, that we have reallocated here and there. Rest everything is same.

**Moderator:** Thank you. Mr. Gupta, please rejoin the queue for more questions. Next question comes from the line of Surendra Reddy with Chartered Investors Community. Please go ahead.

**Surendra Reddy:** Yeah, thank you for the opportunity sir. Sir, I have a few questions and the first one is like you told that in the presentation that our Tanzania audit has been completed and we are opening an opportunity. So how long like how much revenue we are expecting from that and which sector we are expecting to grow better from that sir?

**Munir Chandniwala:** See, Tanzania as a country is being %, how Nigeria is there, Tanzania also is getting going on the same line. So Tanzania, see African market is very big. So Tanzania also is one of the big countries which plays a very important role. Even Kenya is there. I think still we have not tapped Kenya that way.

We are sending goods to Kenya, but we have not taken the approvals or you know like a company registered there. So already Aquatic is there, there are a couple of more clients who have already started their registration there. So slowly will build up, very difficult to tell a number.

But yes, it will have a definitely -- if you see our export contribution maybe around 10% - 20% export contribution can come from Tanzania in this. So it's a slow build up process sir it's not that immediately the revenue will happen, exports are always documentation based and so it can be done.

**Surendra Reddy:** Okay. And also like one more question sir on the pet care and veterinary side. So as of now, we are doing 1000 kg per hour and you mentioned in the presentation that it is going to be like increased by 8x. So we are seeing a significant growth like new markets are seeing and the new capacity is coming. But based on the guidance we're giving 25% to 30%. So I kindly request you to maintain a fair presentation rather than like a very conservative?

**Munir Chandniwala:** See, 150 kg per hour is a capacity right now. 1000 kg will be capacity utilized. We're having the machinery. It's not that we will be utilizing 1000 kg immediately. So that is the thing we have to understand. Even 1000 kg installation plant, it will increase our margin, sir, because this is what we have realized in the micro and medium scale plant, which we have right now.

Let's say it's 150 kg, but we can remove 100 kg, 120 kg. It is that way. So that 20%, 30% loss is the operational, like the time which it takes to clean, to calibrate all these things. This 1000 kg will give you, actually it's a 1200 kg plant. So it will give us a 1000 kg output. And slowly we'll build on this. It's not that day one, I'll make 1000.

**Surendra Reddy:** So is that the guidance is like very conservative or like it can be easily matchable like that 35,000 guidance you are giving?

**Munir Chandniwala:** I didn't get it. I'm sorry.

**Surendra Reddy:** So the 35,000 guidance you are mentioning is whether that is like a very conservative or like it's like a failed guidance you are giving?

**Munir Chandniwala:** It's a regular. I will not say very high, not less.

**Moderator:** Thank you. Mr. Reddy, please rejoin the queue for more questions. Next question comes from the line of Kumar Saurabh with Scientific Investing. Please go ahead.

**Kumar Saurabh:** Congratulations on good set of numbers sir. My question is around the SKU like from customer perspective you have given data top 10 customers contribute 50% of sales. From SKU perspective if you can give some colour like, what percentage of SKU gives 50% of sales or 80% of sales? Because we manage so many SKU 3400 and still we are managing the whole supply chain working capital in a good manner. So if you can throw some light on this?

**Munir Chandniwala:** So see Novus only if you see we are doing around 160 – 170 products. New registration for the international market also is going on. So I don't have exact figure I'm sorry for that, but I can give you just a gist of it may be around 15% to 20% maybe SKUs. Because I think they also are large clients and they have a variety of products. So maybe around 15% to 20% you can say of the customers, they must be doing. But if you want exact figures I'll write a mail to you sir.

**Kumar Saurabh:** Yeah I'm just looking at do we really cater to like 3400 SKUs or within 300, 400 SKUs the whole revenue gets generated, 90% of the revenue is generated and hence it is easier to manage so many SKUs?

**Munir Chandniwala:** No. So we have so many SKUs. We have a variety of products sir. So that is the charm of the company. Though it looks a little bit less on the lower side of the people, but there are people who are doing pop chips, there are people who are doing protein bars. They will grow, sir. See, in a CDMR model, I feel the parties will grow, sir. So we have to give them a little bit of hand and space.

Parties will come up sir. The top 50 clients, top 100 clients are from that 700 client only. So slowly they build their product after two, three years. You see Avault is one example. We have given 2,000, 3,000 bars, right now giving 100000 bars, sir. So it must have come in top 50 right now.

Only they are making bars with us. So these are trends which happen. We also invest in companies. We feel that this party will be good, so we support it a little. And nothing harm in that. We get good margins also, sir. They also get a plus point in quantity and we also get a margin balance. So that's why we are managing, sir. And we are able to manage. We have built up. We have been doing this for 25 years, sir. So it is very easy. That is why other people are also not able to do this much of SKUs. So Influx is known for a variety of products. And this is our strength. I don't want to lose my strength.

**Moderator:** Thank you. Mr. Saurabh, please rejoin the queue for more questions. The next question comes from the line of Ashish Soni. Please go ahead.

**Ashish Soni:** Sir regarding employee increase, so can you break up between the new plant and the senior level management? And I think you spoke about some 21 CFR certification. So just give a breakup, how many you've planned across this segment?

**Munir Chandniwala:** See employees we are employing is because see I'm making a COO team, I have three people for example below me now. My CFO has a couple of people in their team, so we are trying to build teams. Even my COO has now around four to five people who are in the planning. So we are breaking the work so that when the plants are ready.

We are more focused on top and these people can take over the daily operations. So overall, if you see our QC people have, we have increased because we need to divide the QC people also even R&D. So whatever the strategically is there, there are many people employed extra right now, they are getting training and they will be shifted to their respective places.

We even have Olahey BD team members, three people are employed, they are under training of RTDs and all. So we will shift them from Influx to there so that it becomes a little bit smooth. Otherwise giving training to every one at one go, it becomes very difficult. And the other question was, sir?

**Ashish Soni:** My next question is on the exports and I think you spoke about Nykaa being your customer. So do you think export-wise in two, three years down the line how much percentage revenue contribution can come and Nykaa, because I think it's more cosmetics, so how much growth we can expect in cosmetics division in next two three years?

**Munir Chandniwala:** So for Nykaa also, we have made a nutraceutical only sir. So we have made ACV, no doubt we have got entry there. So that is a good sign because Amazon also is there, Swiggy is there. These are all companies who are trying to build their own brand. So we are in touch with them.

We are trying to explore them and they also have a couple of meetings. So these are companies with good names, which slowly they will build up. My Duty is one of them. I don't know if you have heard of them. It's similar to Novus, which is there. We are making their Omega 3 wedge. So their HQVO also has increased.

So export also, if you see, it's growing slowly. Export market, because our registration, NSF, we again had a second audit of NSF on 5th of May for five days. So we have done that and we are sure that we will continue with this. So export market, export quantum also is growing slowly. People are accepting us. So right now maybe we are doing around 15% to 20%. But year on year we can increase 5% to 7% that way for the export quantum.

**Moderator:** Thank you. Mr. Soni, please rejoin the queue for more questions. Next question comes from the line of Shruti Malpani with Aarth AIF. Please go ahead.

**Shruti Malpani:** Hello. Yes, as a follow-up question. So, sir like our non-current assets under that we had long-term loans and advances, which increased from INR 62 lakhs to INR 9.19 crores. So what does this increase owe to? Like, who have we lend it or what is this amount for?

**Munir Chandniwala:** So these are machine advances ma'am.

**Shruti Malpani:** Okay. So the complete increase...

**Munir Chandniwala:** Yeah, these are all machine advances that are there. So, because we need for the IPO CapEx and for the new plant.

**Shruti Malpani:** So it's completely.

**Munir Chandniwala:** Yes, it's related to the work we are doing in progress for the expansion.

**Shruti Malpani:** So sir like the work wouldn't that go under CWIP? Like the advance part I understand, but other than that shouldn't that go in CWIP?

**Munir Chandniwala:** I am not sure ma'am I'll ask.

**Shruti Malpani:** Because under CWIP, we already have an amount. But okay, no worries.

**Munir Chandniwala:** At present, we have paid an advance for the machinery. Upon delivery, the asset will be formally capitalized and recorded in the designated account.

**Moderator:** Thank you. Miss Malpani, please rejoin the queue for more questions. Next question comes from the line of Niraj Thacker with Profit Profit Tantra Financial Services LLP. Please go ahead.

**Niraj Thacker:** Sir, thank you for taking my question and answering so patiently. Sir I have one question sir. Like just in broad view sir if you can give like how is the competition intensity and what is our strength compared to competition sir? Like why customer should come to us like what is our strength sir?

**Munir Chandniwala:** See, as I said we are catering to large number of clients with large number of portfolios. I feel we have the widest range of nutraceutical cosmetic to offer to clients. This is one of a competition, competitor advantage. Secondly, we work as a 365 CDMO. So we have an in-house regulatory service, we have our designing service.

So this all, even we have a backend of our printing unit. So as a company we are trying to deliver, when a new party comes so he doesn't have to run around. So that is our competitive advantage sir. And batch sizes, like we can have a bigger batch size, smaller batch sizes. Our machines are there which can cater to this. So this makes more the client more comfortable with us.

**Niraj Thacker:** Okay. And sir one more in the last con call, you mentioned about there were some challenges with that packaging unit. Where you were facing some problems and you told like you are working on expanding that packaging thing also. So how is that going on sir? Like once the products are there then working on something to expand their packaging to be more efficient like that?

**Munir Chandniwala:** I think you are talking about the product packaging. The product packaging we are expanding sir. That's why you can see good figures. We have increased, even yesterday we have installed like we have taken a machine which is auto coater in our factory.

So it will get installed in coming week's time. It will increase the efficiency of coating sir, and the quality. So three machines work, one machine will do. So we'll have a reduced manpower usage also. So these all things are there which will increase our efficiency also. Yes definitely coating, we will use tablets more during the day. So this is a continuous process. We will keep on doing this because when we feel our capacity is getting tight, we will increase the capacity by procuring more machineries, more optimization or more manpower.

**Moderator:** Thank you. Mr. Thacker, please rejoin the queue for more questions. Next question comes from the line of Siva with ithought PMS. Please go ahead.

**Siva:** Hi sir, good afternoon. So my first question is regarding the products that we deal with. So under nutraceutical, which product contributes most of the revenue towards sir? So we have like whey protein, we have gummies, we have multivitamin, fish oil, we do all this. So could you maybe name top three products where we get most of our revenue from?

**Munir Chandniwala:** See our main revenue comes from tablet, capsule and powders. These are the three main things which we can do. If you bifurcate inside, yes one time whey protein we were doing, but whey protein is very costly right now. But plant protein we have it has taken up. So, subcategory wise, yes. But if you see department-wise, tablet and powder gives us around 30%. Capsule is around 15%, 20%. Gummies is also 15%, 20% approximately revenue. So traditional way of the traditional formulation methods are as good as the natural the newer ones formats.

**Siva:** Understood sir. So and the recent price increase as well like you mentioned whey protein has gone up like 50%, 60% over the past six eight months only. So is this cost entirely passed on to our customers?

**Munir Chandniwala:** See yeah, it is passed to them sir. There can be a little bit lag, but it is passed to them. As if we don't do much whey protein now because whey protein the market is very price oriented and there is a lot of less margin into it. So people also have, the market also have shifted to plant protein, yeast protein there are multiple things which are going on and which has a better margin. But we do cost plus margin based calculations only. So any rise of rates will definitely we implemented to it, only it should not be in process. Because generally what are in process then you know like can be a little tricky, we cannot just increase the rate immediately.

**Moderator:** Thank you. Mr. Siva, please rejoin the queue for more questions. Next question comes from the line of Tarun Krishna with ithought PMS. Please go ahead.

**Tarun Krishna:** Thank you for the opportunity again. You mentioned Novus is supplying us raw material and it is helping us with the working capital. And going forward with the incremental sales, how much do you think will we get the working capital benefits from these big customers?

**Munir Chandniwala:** So Novus is no doubt they are supplying few of the goods raw materials for themselves, but we have drastically reduced them. As evident in the reduced cycle in the payables. So it has reduced because of them only, thanks to Novus. So they listen to us because they like to send good raw material and all. So the payable days have decreased a lot. And that's mainly due to Novus things. So Novus inventory is lesser right now than what it was previously.

**Tarun Krishna:** Okay, understood sir. And we are a B2B company entering B2C, so how exactly -- so marketing can be a hurdle for us so how are we going to...

**Munir Chandniwala:** We are not entering to B2C. I'm sorry sir, but we are not entering into B2C category, we are only pure B2B category.

**Tarun Krishna:** Okay I understood. Okay that is it from my side.

**Moderator:** Thank you. Next question comes from the line of Atharva an Individual Investor. Please go ahead.

**Atharva:** Hello. Thank you for the opportunity. I wanted to ask, you said veterinary segment grew nicely in coming years. Can you tell me if you -- can you give a detail on how big is the veterinary market in India and what do you think the percentage growth would be?

**Munir Chandniwala:** See veterinary market, I don't know exact figures, but year on year it is growing. You can see and feel it across I don't know if you are in the one tier city, two tier city, you can see the shops which are coming up and the amount of queries we are getting. It is a still a market which is going to mature.

So figure wise, I don't have as such right now. I can write to you what exactly the market size is. But yes, overall the feeling the market, the query what we are getting is much more than what it was. You see Reliance, Reliance has entered into the pet care market. Allana has entered, they are doing 1000 kg per hour, they have booked a machine of 5000 kg per hour.

Just see the immenseness of this, so they will be producing 50,000 kg per day. Huge it is. So everyone anticipates this. Looking at the family which is going to happen maybe the core you know like nuclear families which are going to happen. So these all companionship market is going to grow.

**Atharva:** My question was follow up on this only. So can you give a kind of percentage on what would be the market share you have right now?

**Munir Chandniwala:** So right now of the total market? See, our contribution, Influx revenue it is contributing around 1.5% approximately. But overall market it must be very less sir. So if you see -- you can -- you want to see Drools is the -- one of the biggest Indian player which is doing good. That can set a benchmark.

And we look up to that to reach to what Drools is doing. Even we have booked a new machine for pet chews. So that is in the sea right now maybe in 15-20 days we will get it. So, that is also one of the amazing market because normal tablets are not good palatable for regular pets. So these chews or compressed -- like compressed tablets it is a different form of making tablets. This will improve the palatability. But I don't have exact figures sir I'm sorry for that. We must be very small compared to the Indian market completely. And we have good opportunity.

**Moderator:** Thank you. Mr. Atharva, please rejoin the queue for more questions. Next question comes from the line of Ashish Soni from Family Office. Please go ahead.

**Ashish Soni:** Is there any particular reason for not going for more share on the cosmetics because the margins are more there?

**Munir Chandniwala:** We are definitely trying. And if you see the last three, four, six-month sale month by month is definitely increased. We have started Aerosol. And if you see SkinInspired 80+, that is number one in Amazon right now. It is made by us. That is the brand name. So that brand only is contributing around maybe summertime 20 lakhs, 30 lakhs per month.

So that way our focus is there on cosmetics, yes. And we have booked innovative machine also. We will be very happy to share images very soon. So it is some different type of machines only, which will have some visual -- nice visual appeal for the cosmetic creams and all. So there are no companies at such. I saw this in some exhibition and I booked it from China. So we have focus on this. Cosmetics are only three, four years old. So slowly it will build up. And I am sure coming years, it will hit nutra, so because it is amazing science.

**Moderator:** Thank you. Mr. Soni, please rejoin the queue for more questions. Next question comes from the line of Kumar Saurabh with Scientific Investing. Please go ahead.

**Kumar Saurabh:** Sir my question is around the expansion, money required for growth. So for next two three years whatever growth capex we need to do, how much money will be needed how much will come from internal accruals and what is the plan for debt and equity?

**Munir Chandniwala:** See right now, we have sufficed our money for which is the IPO proceedings we have done. So right now we don't look forward for debt and everything, we don't require also.

**Kumar Saurabh:** Okay. So the next two three years we don't expect any dilution

**Munir Chandniwala:** No, sir. No. And this year also I think INR4.5 crores we have put in with internal accruals I think. So this all things we have done. So internal accrual is already going on, but we have sufficient funds sir to operate and I think take the IPO proceeding ahead and we don't intend to have any debt, right now.

**Kumar Saurabh:** Okay great. That's all I have sir. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints we have reached the end of question and answer session. I now hand the conference over to the management for closing comments.

**Munir Chandniwala:** Yeah, thank you so much. I thank everyone for joining and truly appreciate your questions. I hope I have been able to address them satisfactorily. In case if any aspect which I must have not able to explain or you need more clarity, you can please reach out to our IR Partner, Capital Bridge Advisors for any further query. I thank you again for your patience for listening.

**Moderator:** Thank you. On behalf of Influx Healthtech Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.